



**IOWA FINANCE AUTHORITY  
BOARD MEETING MINUTES**

**Iowa Finance Authority Presentation Room  
2015 Grand Avenue  
Des Moines, Iowa**

**November 7, 2007**

**Board Members Present**

Kay Anderson, Chair (via telephone)  
Roger Caudron, Vice Chair  
Steven Adams (via telephone)

Virginia Bordwell  
David Erickson  
Douglas Walter (via telephone)

**Staff Members Present**

James Smith, Deputy Director/CFO  
Lori Beary, Community Development  
Director  
Mark Fairley, Finance & Investment Manager  
Irene Hardisty, Director of Single Family  
Production  
Steven Harvey, Director of Operations  
Craig Johnson, Underwriter  
Joseph Jones, Director of Governmental  
Affairs  
Shawna Lode, Communications Director

Susan Mock, Administrative Assistant  
Julie Noland, Senior Technical Analyst  
Loyd Ogle, Director of Title Guaranty  
Division  
Joe O'Hern, Director of HousingIowa  
Carla Pope, Director of Affordable Rental  
Production  
Terri Rosonke, Affordable Assisted Living  
Coordinator  
Mark Thompson, General Counsel  
Nancy Wallis, Administrative Assistant

**Others Present**

Erin Andrew – Office of the Governor  
Bob Burns – BurnsHousing.com  
Jim Conlin – Conlin Properties  
Joni DeVries – Wells Fargo Bank Iowa, NA  
Steve Ferguson – Bankers Trust  
Dan Garrett – Midwest Housing Equity  
Group

Darla Giese – Dorsey & Whitney Law Firm  
Dave Gregory – Bankers Trust  
Bruce Ray – Dept. of Housing & Urban Dev.  
Kyle Rice – State Treasurer's Office  
Shelly Stomp – KPMG

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**Call to Order**

Because Chair Anderson was not present in person, Vice Chair Caudron called to order the November 7, 2007, regular meeting of the Iowa Finance Authority (IFA) Board of Directors at 10:55 a.m. Roll call was taken and a quorum was established with the following members present: Adams, Anderson, Bordwell, Caudron, Erickson and Walter.

Because there was not a quorum present in person, Mr. Thompson noted that the meeting would be considered an electronic meeting due to scheduling conflicts of the Board members.

## **Review and Approval of Minutes**

### **October 3, 2007, Minutes**

Vice Chair Caudron introduced the minutes of the October 3, 2007, meeting of the IFA Board of Directors. Ms. Bordwell requested a change of wording on page 4 regarding waivers and variances.

**MOTION:** On a motion by Ms. Bordwell and a second by Mr. Erickson, the Board unanimously approved the minutes of the October 3, 2007, Board meeting as corrected.

## **Administration / Finance**

### **Summary & Overview**

In the absence of Mr. Mills, Mr. Smith introduced two new staff members, Mr. O'Hern and Ms. Hardisty. Mr. O'Hern told of his background as Director of the Fannie Mae Community Business Center in Des Moines for more than 11 years. Ms. Hardisty said she was Senior Deputy Director of Fannie Mae Community Business Center in Des Moines and has 30 years of mortgage banking experience.

Ms. Hardisty displayed a plaque from ISED Ventures and a certificate from the Governor recognizing IFA's participation in the Iowans Saves program.

### **Presentation of FY07 Audit Report by KPMG**

Mr. Harvey introduced Ms. Stromp from KPMG who presented the audit report. She stated that KPMG issued an unqualified opinion on both the housing agency and the State Revolving Fund, and on the agency as a whole. Ms. Stromp said there were no significant deficiencies and no material weaknesses.

**MOTION:** On a motion by Ms. Anderson and a second by Mr. Walter, the Board unanimously accepted the FY07 Audit Report.

### **Amendment to FY08 Budget**

Mr. Harvey presented a proposed amendment to the FY08 budget. He said the amendment was needed because of a formula error in the Multifamily Program budget where the interest income was overstated, causing a net operating income decrease of \$922,000. Mr. Harvey also stated that the State Housing Trust Fund appropriation income was understated, causing a net operating income increase of \$779,000. He explained that the overall impact of the budget revision is a decline in the operating income of approximately \$143,000.

Mr. Harvey noted that another result of the budget revision is that staff will now combine the Service Acquisition Fee Income with the Lender's Service Release Expense in order to improve presentation clarity. He said that this change would have no financial impact.

**MOTION:** On a motion by Ms. Bordwell and a second by Mr. Erickson, the Board unanimously approved the amendment to the FY08 budget.

### **Review of Financial Statement**

Mr. Harvey presented the September financial statement, noting that as a housing agency, IFA's year-to-date revenue is unfavorable to budget and year-to-date expenses are favorable to budget, making the year-to-date operating income unfavorable to budget by \$102,692.

Mr. Harvey stated that the State Revolving Fund (SRF) is currently unfavorable to budget primarily due to timing issues with cap grant draws. He noted that IFA is currently servicing all SRF loans in-house.

**MOTION:** On a motion by Mr. Erickson and a second by Mr. Adams, the Board unanimously accepted the September financial report.

### **Single Family Authorizing Resolution, 2007 K, L, M**

Mr. Fairley introduced the resolution authorizing the issuance of Single Family Mortgage Bonds, 2007 Series K, L, and M, with a total principal amount not to exceed \$80 million. He stated this would be the fourth single family bond issue in 2007. Mr. Fairley said IFA expects to price the bonds near the end of November and expects to close in December.

**MOTION:** Ms. Bordwell made a motion to approve the resolution adopting and approving a series resolution relating to Single Family Mortgage Bonds, 2007 Series K, 2007 Series L, and 2007 Series M authorizing the issuance, sale and delivery of the Authority's Single Family Mortgage Bonds pursuant to such series resolutions; authorizing the execution and delivery of one or more Contracts of Purchase and a Continuing Disclosure Agreement; and delegating certain responsibilities to the Executive Director for finalizing certain matters, forms and contents of certain documents. On a second by Mr. Erickson, the Board unanimously approved the resolution.

### **Legislative**

Mr. Jones introduced Ms. Andrew, IFA's liaison to the Governor's Office. He then reported that IFA staff members have started drafting legislation for the state legislative session. He said he welcomed input from Board members about legislation they feel IFA should pursue.

Mr. Jones distributed an update on federal legislation and highlighted various bills that impact IFA. He also distributed the current agency Performance Plan. Mr. Jones said he would provide an update with additional results soon.

### **Communications**

Ms. Lode reported that the 2007 HousingIowa Conference was a big success with 329 attendees, compared with 236 attendees at the 2006 conference. She also noted that there were 709 books donated for shelters for the homeless across the state. Board members requested to see the evaluations from the conference, and Ms. Lode said she would send those by e-mail.

Ms. Lode announced that a new affordable assisted living Web site would be launched within a few months. She said it would be a resource for consumers, developers and others interested in affordable assisted living options.

Ms. Lode noted that in the next few months there would be sleepouts around the state to promote homelessness awareness, and that IFA has offered a sponsorship to each event.

### **Economic Development Program**

#### **ED Loan #07-35, Red Rock Renewables, LLC Project**

Ms. Noland introduced an application and inducement resolution for \$50,000,000 of Iowa Finance Authority Economic Development Revenue Bonds for the Red Rock Renewables, LLC Project in Pleasantville, Marion County. She said the bonds will be used to produce and process the waste products from a new dry mill corn process ethanol plant that is being planned. Ms. Noland reported that the project will require Private Activity Bond Cap.

#### **RESOLUTION #07-35A**

**MOTION:** Ms. Anderson made a motion to approve an application for \$50,000,000 of Iowa Finance Authority Economic Development Revenue Bonds (Red Rock Renewables, LLC Project) for Red Rock Renewables, LLC (the “Borrower”), and evidencing the intent to proceed with the issuance of \$50,000,000 of Economic Development Revenue Bonds. On a second by Ms. Bordwell, the Board unanimously approved Resolution #07-35A.

#### **ED Loan #07-36, MidAmerican Energy Company Project**

Ms. Noland introduced an application and inducement resolution for \$244,175,000 of Iowa Finance Authority Revenue and Revenue Refunding Bonds for MidAmerican Energy Company Project in Pottawattamie, Woodbury, Louisa and Wapello Counties. She stated the bonds will be used for the enhancement of existing environmental equipment, including the installation of emission control equipment and solid waste facilities for coal-fired steam electric generation plants. Ms. Noland noted the project will require Private Activity Bond Cap.

Mr. Erickson submitted a letter stating a conflict of interest on the project because he works with MidAmerican Energy on various matters. He said he would abstain from discussing and voting on the project.

#### **RESOLUTION #07-36A**

**MOTION:** Mr. Walter made a motion to approve an application for \$244,175,000 of Iowa Finance Authority Economic Development Revenue and Revenue Refunding Bonds (MidAmerican Energy Company Project), Series 2007 for MidAmerican Energy Company (the “Borrower”), and evidencing the intent to proceed with the issuance of \$244,175,000 of Economic Development Revenue and Revenue Refunding Bonds. On a second by Ms. Anderson, a vote was taken with the following results: **YES** – Adams, Anderson, Bordwell, Caudron, and Walter; **NO** – None; **ABSTAIN** – Erickson, due to the conflict of interest previously noted (see attached letter). On a majority vote, the Board approved Resolution #07-36A.

#### **ED Loan #07-37, PowerFilm, Inc. Project**

Ms. Noland introduced an application and inducement resolution for \$5,000,000 of Iowa Finance Authority Manufacturing Facility Revenue Bonds for PowerFilm, Inc. in Ames, Story County. She explained that the bonds will be used to expand their advanced manufacturing facility, which produces thin film photovoltaics, such as solar panels. Ms. Noland said the project will require Private Activity Bond Cap.

#### **RESOLUTION # 07-37A**

**MOTION:** Ms. Bordwell made a motion to approve an application for \$5,000,000 of Iowa Finance Authority Manufacturing Facility Revenue Bonds (PowerFilm, Inc. Project) for

PowerFilm, Inc. (the “Borrower”), and evidencing the intent to proceed with the issuance of \$5,000,000 of Manufacturing Facility Revenue Bonds. On a second by Mr. Erickson, the Board unanimously approved Resolution #07-37A.

#### ED Loan #07-38, Central College Project

Ms. Noland introduced an application and inducement resolution for \$47,000,000 of Iowa Finance Authority College Revenue and Refunding Bonds for Central College in Pella, Marion County. She said the bonds will be used to finance the construction of a new building to house the Education, Psychology, and Community Outreach departments; to provide funds for the renovation of Scholte Hall and other campus improvements and renovations; and to refund previously issued Private College Facility Revenue Bonds and pay for the cost of issuance related to those bonds. Ms. Noland stated that the project would not require Private Activity Bond Cap.

Mr. Erickson submitted a letter stating a conflict of interest on the project because one of his partners is Underwriter’s Counsel for the bond issue. He said he would abstain from discussing and voting on the project.

#### RESOLUTION #07-38A

MOTION: Mr. Adams made a motion to approve an application for \$47,000,000 of Iowa Finance Authority College Revenue and Refunding Bonds (Central College Project) for Central College (the “Borrower”), and evidencing the intent to proceed with the issuance of \$47,000,000 College Revenue and Refunding Bonds. On a second by Mr. Walter, a vote was taken with the following results: YES – Adams, Anderson, Bordwell, Caudron, and Walter; NO – None; ABSTAIN – Erickson, due to the conflict of interest previously noted (see attached letter). On a majority vote, the Board approved Resolution #07-38A.

## **HousingIowa**

### **Affordable Rental Production**

#### Resolution – Certification of New Local Housing Trust Fund Awards

Ms. Rosonke explained that Fayette County Housing Trust Fund and Housing Fund for Linn County have requested approval and certification as Local Housing Trust Funds by the IFA Board. She said that copies of the required Housing Assistance Plan (HAP) from both entities were included in the Board packets. Ms. Rosonke noted that if these two are approved by the Board, there will be a total of 17 Local Housing Trust Funds.

MOTION: On a motion by Mr. Erickson and a second by Ms. Bordwell, the Board unanimously approved the certification of Fayette County Housing Trust Fund and Housing Fund for Linn County as Local Housing Trust Funds.

#### Resolution – Local Housing Trust Fund Awards

Ms. Rosonke introduced a resolution awarding funding to applicants for the Local Housing Trust Fund portion of the State Housing Trust Fund. She stated that IFA received 16 applications requesting a total of \$2,672,000, but that IFA only has \$1,942,200 available for the program in FY08. Ms. Rosonke noted that staff recommendations for the awards are based on the calculations specified in Section 3.2.3 of the allocation plan. She said the summary of awards was included in the Board packets.

Ms. Rosonke explained that the local match portion of the applications totaled \$3.4 million and that the awards leveraged \$11.41 in other funding every dollar recommended for awards.

MOTION: On a motion by Ms. Bordwell and a second by Mr. Erickson, the Board unanimously approved the resolution awarding funding to 16 Local Housing Trust Funds as set forth in Exhibit A of the resolution.

Resolution – Award of Low-Income Housing Tax Credits to Community Homes Project

Ms. Pope introduced the resolution awarding Low-Income Housing Tax Credits to Community Homes Project. She said the credits became available after the developer for the Cherry Lane Project recently returned credits. Ms. Pope noted that on August 27, 2007, the IFA Board allocated \$70,761 in credits to the Community Homes Project to purchase 10 of the homes that were available at the time, with the understanding that if additional credits became available, the IFA Board would consider an additional allocation to allow the purchase of the other eight homes.

Mr. Thompson explained that the Community Homes Project was first on the waiting list because an Administrative Law Judge ruled in favor of the project in an appeal following awards in March 2007.

Mr. Adams said he would abstain from discussing and voting on the resolution because he has been working on other projects with Community Housing Initiatives (the developer of the Community Homes Project).

MOTION: Mr. Erickson made a motion to approve the allocation of Low-Income Housing Tax Credits to the Community Homes Project in an amount not to exceed \$32,326 (for a total of the two awards not to exceed \$103,087). On a second by Ms. Bordwell, a vote was taken with the following results: YES – Anderson, Bordwell, Caudron, Erickson and Walter; NO – None; ABSTAIN – Adams, due to the conflict of interest previously noted (see attached letter). On a majority vote, the Board approved the allocation of the additional tax credits to the Community Home Project.

Resolution – South View Senior Apartments: Permanent Financing Commitment

Mr. Johnson introduced the resolution for a permanent loan to South View Senior Apartments. He said the loan will be funded upon completion of the project. Mr. Johnson explained that the project, which received Low-Income Housing Tax Credits in 2007, would be a three-story building consisting of 40 units on the southeast side of Des Moines. He stated the units are to be 100 percent affordable to senior citizens at or below 60 percent of the area median income. Mr. Johnson summarized the terms of the proposed bifurcated loan, which would total \$1,144,800, as detailed in the Board packet.

MOTION: On a motion by Mr. Walter and a second by Mr. Adams, the Board unanimously approved the loan to South View Senior Apartments in an amount not to exceed \$1,144,800 for a term not to exceed 30 years.

## **Water Quality Programs**

### **Resolution – Revised 28E Agreement with Iowa Department of Natural Resources (DNR)**

Ms. Beary introduced the resolution approving a revised 28E Agreement with the DNR. She stated the revised agreement would combine the Drinking Water SRF and Clean Water SRF programs into one agreement and would reflect some of the recent changes to the Master Trust Agreement. Ms. Beary noted that, if approved by the Board, the DNR Board would consider the updated agreement at their December meeting, and the final document would replace the current Memorandum of Understanding (MOU). She said the revised agreement would be filed with the Secretary of State and with the county.

**MOTION:** On a motion by Mr. Erickson and a second by Ms. Bordwell, the Board unanimously approved the resolution and the revised 28E agreement with DNR.

### **Resolution - Planning and Design Loans**

Ms. Beary introduced a resolution to approve Planning and Design Loans for Sac City, ADLM and Woodbine, for a total of \$754,500. She noted that with the adoption of this resolution, IFA will have approved Planning and Design Loans in FY08 for 17 projects totaling nearly \$3.2 million.

**MOTION:** On a motion by Ms. Bordwell and a second by Mr. Erickson, the Board unanimously approved the Planning and Design Loan Resolution.

## **Title Guaranty Division (TG)**

Mr. Ogle reported that the TG annual conference will be held on November 15, 2007, at the West Des Moines Marriott. He said they are expecting more than 200 attendees. He also announced that TG staff will host five Regional Academies in the spring to train participants and to promote TG's products and services.

## **Miscellaneous Items**

### **Receive Comments from General Public**

Vice Chair Caudron opened the public comment period and asked if anyone in the audience would like to address the Board.

There being no audience members wishing to address the Board, Vice Chair Caudron closed the public comment period.

Vice Chair Caudron said the next meeting would be held at 10:45 a.m. on December 5, 2007, in IFA's Presentation Room. He also reported that the Board would participate in a training session on December 4, 2007, beginning at 9:00 a.m. in IFA's Presentation Room.

Ms. Pope announced that the application deadline for the 2008 round of Low-Income Housing Tax Credit funding was November 1, 2007. She reminded the Board members that throughout the scoring period, no applicant is allowed to have contact with Board members regarding the applications. Ms. Pope asked the Board members to contact her or Mr. Vaske if any applicant attempts to discuss a proposed project.

## **ADJOURNMENT**

There being no further business, on a motion by Mr. Erickson and a second by Ms. Bordwell, the November 7, 2007, meeting of the IFA Board of Directors adjourned at 12:15 p.m.

Dated this 5th day of December 2007.

Respectfully submitted:

Approved as to form:

Bret L. Mills  
Executive Director  
Iowa Finance Authority

Kay Anderson, Chair  
Iowa Finance Authority

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